

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Communications Network Billing, Inc. (U-6917-C) for Authority to Transfer Control to Cristina M. Tucker.

Application 06-01-016
(Filed January 19, 2006)

DECISION GRANTING APPLICATION**Summary**

In this decision we grant the application of Communications Network Billing, Inc. (CNBI or Applicant) to transfer control to Cristina M. Tucker (Tucker).

Background

CNBI is a Nevada corporation headquartered in Newport Beach, CA. We issued a certificate of public convenience and necessity to CNBI to operate as a resale interexchange carrier on November 12, 2004. Tucker is an individual resident of the State of California. All of the issued and outstanding shares of CNBI are held by C. Hurley Cox (Cox), an individual resident of the State of Maryland. Pursuant to a stock purchase agreement between Cox and Tucker dated April 17, 2005, Cox has agreed to sell Tucker his entire interest in CNBI.

Tucker is the President and Chief Executive Officer of CNBI. Upon purchase of the stock from Cox, Tucker will continue to operate CNBI with the same management team and in the same manner as before the transaction. The rates, terms and conditions of service currently available to CNBI's customers will not change as a result of this transaction.

Applicant has supplied financial information that demonstrates the proposed transaction will not adversely affect the financial viability of CNBI.

Discussion

Public Utilities Code Section 854 requires Commission authorization before a company may "merge, acquire, or control...any public utility organized and doing business in this state...." The purpose of this section is to enable the Commission, before any transfer of public utility property is consummated, to review the situation and to take such action, as a condition of the transfer, as the public interest may require. *San Jose Water Co.* (1916) 10 CRC 56.

In a situation where a company or individual that does not possess a CPCN desires to acquire control of a company that does possess a CPCN, we will apply the same requirements as in the case of an applicant seeking a CPCN to exercise the type of authority held by the company being acquired. Since CNBI possesses a CPCN to operate as a resale provider of local exchange and interexchange telecommunications services within California, we will apply the requirements for such authority to Tucker.

The Commission has established two major criteria for determining whether a CPCN should be granted. An applicant who desires to operate as a facilities-based and resale provider of local exchange and interexchange service must demonstrate that it has a minimum of \$100,000 in cash or cash equivalent, reasonably liquid and readily available to meet the firm's start-up costs. In addition, the applicant is required to make a reasonable showing of technical expertise in telecommunications or a related business.

Tucker provided financial statements that demonstrate that she has sufficient resources to meet our financial requirements. Since CNBI will continue

to operate under the same management, we find that our requirement for technical expertise is satisfied.

The transaction will be transparent to customers. Therefore, it is not adverse to the public interest.

As discussed above, Tucker has satisfied our financial and experience requirements, and the proposed transaction is not adverse to the public interest. Therefore, we will grant the application, subject to the terms and conditions set forth below.

Request to File Under Seal

Applicant requests that the financial information filed with the application be kept under seal. The financial information consists of current bank account balances. Applicant represents that the information is proprietary and sensitive. The information, if revealed, would place Applicant at an unfair business disadvantage. We have granted similar requests in the past and will do so here. Applicant's information will be kept confidential for a period of two years from the effective date of this decision or longer upon a showing of a need for further protection.

Filing of Reports and Payment of Fees

The Commission's Telecommunications Division has not received any user fee reports or any payment of required fees from CNBI. Accordingly, approval of this application will be contingent upon Applicant filing the required reports and paying any fees due.

Categorization and Need for Hearings

In Resolution ALJ 176-3167, dated February 16, 2006, the Commission preliminarily categorized this proceeding as ratesetting and preliminarily determined that hearings were not necessary. Based on the record, we conclude

that it is not necessary to alter the preliminary determinations in Resolution ALJ 176-3167.

Comments on Draft Decision

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Public Utilities Code Section 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

Assignment of Proceeding

John Bohn is the Assigned Commissioner and Karl J. Bemesderfer is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. Notice of this application appeared in the Commission's Daily Calendar of January 30, 2006.
2. Applicant seeks approval pursuant to Public Utilities Code Section 854 of a stock sale that will result in a change of control of Communications Network Billing, Inc.
3. Communications Network Billing, Inc. (U-6917-C) is a certificated resale interexchange carrier subject to the jurisdiction of this Commission.
4. There will be no change in the management structure or operations of Communications Network Billing, Inc. as a result of its acquisition by Cristina M. Tucker.
5. Tucker has satisfied the financial and experience requirements we impose on applicants for a CPCN.
6. CNBI has not filed any required user fee reports or paid any required user fees.

Conclusions of Law

1. The proposed change of ownership is not adverse to the public interest.
2. This proceeding is designated as a ratesetting proceeding; no protests have been received; and no hearing is necessary.
3. Applicant's request to file its financial information under seal should be granted for two years.
4. The application should be approved.

O R D E R

IT IS ORDERED that:

1. Communications Network Billing, Inc. is authorized pursuant to Section 854 of the Public Utilities Code to enter into a transaction whereby all of its outstanding shares of stock will be sold to Cristina M. Tucker.
2. Within sixty (60) days of the date hereof, Applicant shall file any required reports and pay the appropriate fees applicable to resale interexchange carriers on intrastate interLATA telecommunications services provided by Applicant since November 12, 2004. Applicant shall provide sufficient detail of its revenues to enable the Commission's Telecommunications Division to confirm that the proper fees have been paid. Applicant shall not be permitted to transfer its CPCN until Telecommunications Division has confirmed that Applicant has paid the appropriate fees. Should Applicant fail to file the required reports and pay the required fees within the 60-day period specified in this order, Telecommunications Division is ordered to revoke Applicant's existing certificate of public convenience and necessity (CPCN).
3. Telecommunications Division shall review Applicant's filing required by Ordering Paragraph 2 to confirm that Applicant has paid the appropriate fees. Upon confirmation, Telecommunications Division shall notify Administrative

Law Judge Bemesderfer in writing that the fees have been paid and shall send a copy of its notice to Applicant. Upon receipt of confirmation, Applicant may complete the transfer of the CPCN.

4. Applicant's request to have the financial information filed with the application kept under seal is granted for two years from the effective date of this decision. During that period the information shall not be made accessible or disclosed to anyone other than the Commission staff except on the further order or ruling of the Commission, the assigned Commissioner, the assigned Administrative Law Judge (ALJ), or the ALJ then designated as Law and Motion Judge.

5. If Applicant believes that further protection of the information kept under seal is needed, it may file a motion stating the justification for further withholding of the information from public inspection, or for such other relief as the Commission's rules may then provide. This motion shall be filed no later than one month before the expiration date.

6. The authority granted herein shall expire if not exercised within one year of the date of this order.

7. Application 06-01-016 is closed.

This order is effective today.

Dated _____, at San Francisco, California.